

# MANAGEMENT MEMO

NUMBER:	01-10
DATE ISSUED:	JUNE 4, 2001
EXPIRES:	WHEN RESCINDED OR SUPERCEDED
ISSUING AGENCY:	DEPARTMENT OF INFORMATION TECHNOLOGY

## SUBJECT:

CALIFORNIA SOFTWARE MANAGEMENT POLICY

## REFERENCES:

EXECUTIVE ORDER D-10-99

The purpose of this Management Memo is to notify departments and agencies of policies for implementing the attached Executive Order D-10-99 that was issued on October 15, 1999, directing State agencies to attain full compliance with relevant provisions of federal and state copyright law relating to computer software. In signing the Executive Order, the Governor made clear that in order for California's technology based economy to thrive, we must take every reasonable step to combat software piracy and other intellectual property theft. Because the State of California is one of the largest consumers of software, we have the opportunity to set a positive example, by ensuring that agencies purchase and use computer software according to practices that are above reproach. This is a major step toward the State's on-going commitment to information technology asset management.

The potential benefits of following the Software Management Policy include: reduced cost of software procurement, reduced cost of software support/maintenance, improved productivity, and lower desktop application costs. This policy is effective with the publication of this Management Memo and will continue in effect until rescinded or superseded.

This policy applies to all State agencies except the University of California, the California State University, the State Compensation Insurance Fund, the community college districts, agencies provided for by Article VI of the California Constitution, and the Legislature.

**Intent of the Executive Order D-10-99**

1. State entities shall establish and maintain appropriate computer software management practices.
2. State entities shall ensure that computer software they use and/or have purchased with State funds is legally procured and is used in compliance with licenses, contract terms, and applicable copyright laws.
3. State entities shall develop and implement policies and procedures to ensure that all staff understand and adhere to proper software management practices.

**Responsibilities to Support Executive Order D-10-99**

- Department of Information Technology:** The Department of Information Technology (DOIT) shall be the principal government department responsible for improving executive agency practices regarding the acquisition and use of computer software, monitoring and eliminating the use of unauthorized computer software. DOIT will be issuing specific software usage guidelines, which will provide information to assist State entities in complying with the Executive Order. This Management Memo serves as initial guidance and will be continually evaluated for effectiveness and revised as necessary to ensure effectiveness.
- Department of General Services:** The Department of General Services (DGS) shall develop appropriate language for inclusion in State contracts to require compliance with software licenses and applicable copyright laws when State funds are used to acquire, operate, or maintain computer software.
- Department of Finance:** The Department of Finance (DOF) shall utilize appropriate oversight mechanisms to monitor and audit expenditures by State entities and to foster State entity compliance with the policies set forth in the Executive Order and with the standards, policies, and guidelines established by DOIT.

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- D. **State entity:** State entities, including each agency, department, board, commission and office of the executive branch, shall develop, implement, and maintain specific plans, procedures, and processes to ensure compliance with the requirements established by the Executive Order. State contractors and recipients of State grants and State loan guarantee assistance shall have appropriate systems and controls in place to ensure State funds are not used to acquire, operate, or maintain computer software in violation of applicable copyright laws. Each State entity shall work promptly to implement this Management Memo. Each State entity shall designate an appropriate position or unit to be responsible for ensuring compliance. Each State entity's compliance program shall be documented with sufficient specificity to meet the audit requirements by its internal auditors, Information Security Officer, and DOF's Office of State Audits and Evaluations. Compliance with licenses, contract terms and copyright laws should be achieved as soon as possible; however, compliance must be achieved no later than July 2004.

### **Report and Annual Certification**

Full compliance with this policy should be achieved as quickly as possible.

Each State entity shall comply as follows:

- (A) Within six months from the date of issuance of this policy, each entity will submit to DOIT a Software Management Report proposing the plan the entity will implement in order to comply with this Management Memo. The report shall include:
- (1) Procedures on how the individual entity will:
    - a) Conduct a 100% inventory of the entity's software to create a baseline
    - b) Detect and remove illegal and unlicensed software
    - c) Provide for a secure repository of software diskettes, CD ROMs and licenses
    - d) Provide ongoing inventory tracking and monitoring of new purchases and installations
    - e) Perform periodic internal audits and ensure appropriate corrective actions are taken when necessary
    - f) Receive certification from its contractors and bidders that they have appropriate systems and controls in place to ensure that State funds are not used to acquire, operate, or maintain computer software in a manner that does not comply with applicable copyrights
    - g) Ensure proper disposal of hardware and software consistent with license requirements
  - (2) A statement of the roles and responsibilities within the entity for the administration of the software management program and enforcement of the policy
  - (3) An action plan detailing the steps to full implementation of the software management policy
  - (4) A timeline for full implementation of the software management policy
  - (5) A list of the entity's currently supported software
  - (6) A plan for employee orientation and education
- (B) As of January 31, 2003, each entity will submit a report to DOIT detailing how the plan described in the January 2002 report was implemented and attach a summary of the baseline inventory that was conducted.
- (C) Beginning January 31, 2004, and ongoing thereafter, each entity shall submit to DOIT an Annual Certification in the form of Statement of Compliance (attached) along with the summary of updated inventories conducted by the entity as part of their ongoing software management practices. In support of this certificate, each entity must maintain a detailed inventory report that must be made available to DOIT upon request.

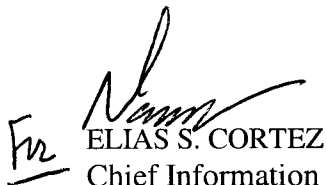
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For additional information please go to [www.doit.ca.gov](http://www.doit.ca.gov) or contact the Department of Information Technology at (916) 445-5900.

 ELIAS S. CORTEZ

Chief Information Officer/Director

State of California/Department of Information Technology

### Attachments(2)

1. Executive Order D-10-99
2. Statement of Compliance

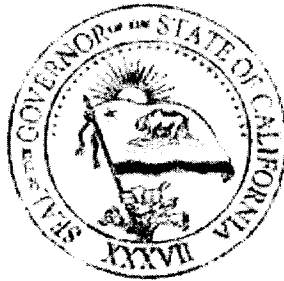
# Executive Order

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## EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

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### EXECUTIVE ORDER D-10-99 by the Governor of the State of California

**WHEREAS**, the State of California is a significant purchaser of computer-related services and equipment, purchasing more than \$2 billion annually; and

**WHEREAS**, the importance to California's technology based economy of combating piracy of computer software and other intellectual property makes it incumbent on the State of California to ensure that its own practices as a purchaser and user of computer software are beyond reproach;

**NOW, THEREFORE, I, GRAY DAVIS**, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

1. Each agency, department, board, commission and office of the executive branch (hereinafter referred to as "agency" or "agencies") shall work diligently to prevent and combat computer software piracy in order to give effect to copyrights associated with computer software by observing the relevant provisions of both Federal and State law, including the Federal Copyright Act.

A) Each agency shall establish procedures to ensure that the agency only

uses computer software in a manner compliant with applicable copyright laws.

B) State contractors and recipients of State grants and State loan guarantee assistance, shall have appropriate systems and controls in place to ensure State funds are not used to acquire, operate, or maintain computer software in violation of applicable copyright laws. Each agency shall require its contractors and bidders to certify that they have appropriate systems and controls in place to ensure that State funds are not used to acquire, operate or maintain computer software in a manner that does not comply with applicable copyrights. If agencies become aware that contractors, grantees or recipients are using State funds to acquire, operate or maintain computer software in violation of copyright laws, agencies shall take such measures as the agency head deems appropriate and consistent with the requirements of law.

C) The Department of General Services shall develop appropriate language for inclusion in State contracts to prohibit the use of state funds for the acquisition, operation or maintenance of computer software in violation of copyright laws. Such language shall be required in all state contracts involving the purchase or utilization of computer software in the performance of such contracts.

Executive agencies shall cooperate fully in implementing this order and shall share information with other government agencies as appropriate that may be useful in combating the use of computer software in violation of applicable copyright laws.

Executive agencies shall ensure that budget proposals relating to computer data processing needs include adequate resources for the purpose of acquiring adequate computer software and licenses to meet those needs.

2. In connection with the acquisition and use of computer software, the head of each executive agency shall:

Ensure agency compliance with copyright laws protecting computer software and with provisions of this order to ensure that only authorized computer software is acquired for and used on the agency's computers;

Utilize performance measures as recommended by the Department of Information Technology pursuant to section 3 of this order to assess the agency's compliance with this order;

Educate appropriate agency personnel regarding copyrights protecting computer software and the policies and procedures adopted by the agency to honor them;

Ensure that the policies, procedures, and practices of the agency related to copyrights protecting computer software are adequate and fully implement

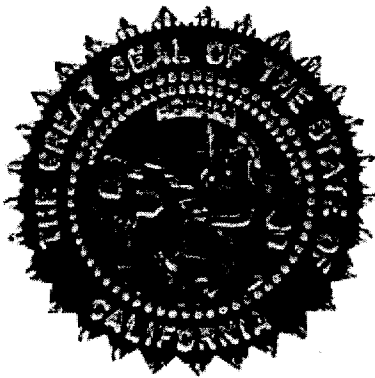
the policies set forth in this order.

3. The Department of Information Technology ("Department") established by Chapter 508, Statutes of 1995, shall be the principal government department responsible for improving executive agency practices regarding the acquisition and use of computer software, and monitoring and eliminating the use of unauthorized computer software. The Department, through the Chief Information Officer of the State of California, shall provide advice and issue standards, policies, and guidelines to executive agencies regarding appropriate measures to carry out this order. The Department shall issue its initial guidance within six months of this order.

4. The Department of Finance shall utilize appropriate oversight mechanisms to monitor and audit expenditures by agencies to foster agency compliance with the policies set forth in this order and with the standards, policies and guidelines established by the Department of Information Technology pursuant to this order.

5. This Executive Order is intended only to improve the internal management of the executive branch and does not create any right or benefit, substantive or procedural, at law or equity by a party against the State of California, its agencies or instrumentalities, its officers or employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 15th day of October 1999.



A handwritten signature in black ink, reading 'Gray Davis'.

Governor of California

**ATTEST:**

A handwritten signature in black ink, reading 'Bill Jones'.

Secretary of State

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GRAY DAVIS  
GOVERNOR

State of California  
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**MEMORANDUM**

**Date:** January 31, 2002

**To:** Department of Information Technology

**From:** JOHN DOE, Director  
State Agency

**Subject:** **Statement of Compliance with California Software Management Policy**

This is to certify that this agency is in compliance with State policy governing software management practices as defined in the California Software Management Policy (DOIT Management Memo).

During the past year, "State Entity" has fully implemented our Software Management Program that includes the following update of key elements:

1. An up-to-date inventory of software licensed to "State Entity"
- 2.
- 3.

Finally, in compliance with the requirements of the DOIT Management Memo, I have appointed the following individual as the representative responsible for ensuring our agency compliance with the California Software Management Policy.

NAME:

TITLE:

ADDRESS:

CITY and ZIP CODE:

TELEPHONE:

FAX:

EMAIL:

Please contact Jan Doe of State Entity at (916) XXX-XXXX or [email@agency.ca.gov](mailto:email@agency.ca.gov) with any questions or comments.

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JOHN DOE  
Director